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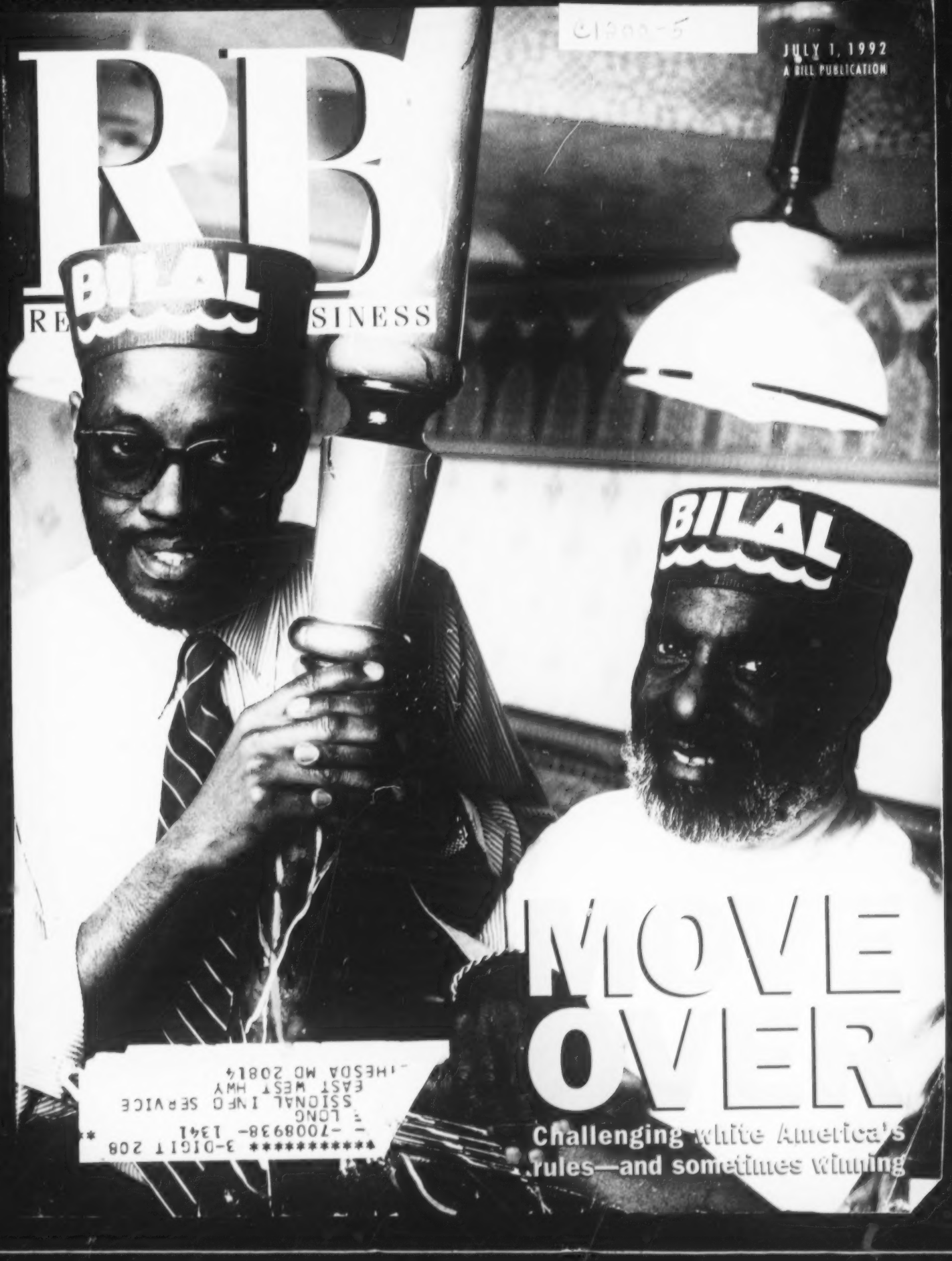

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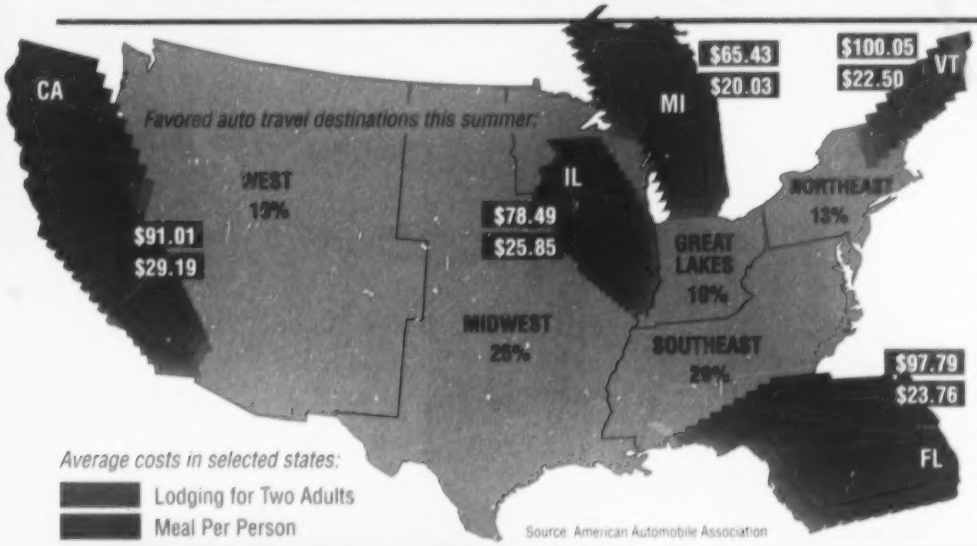
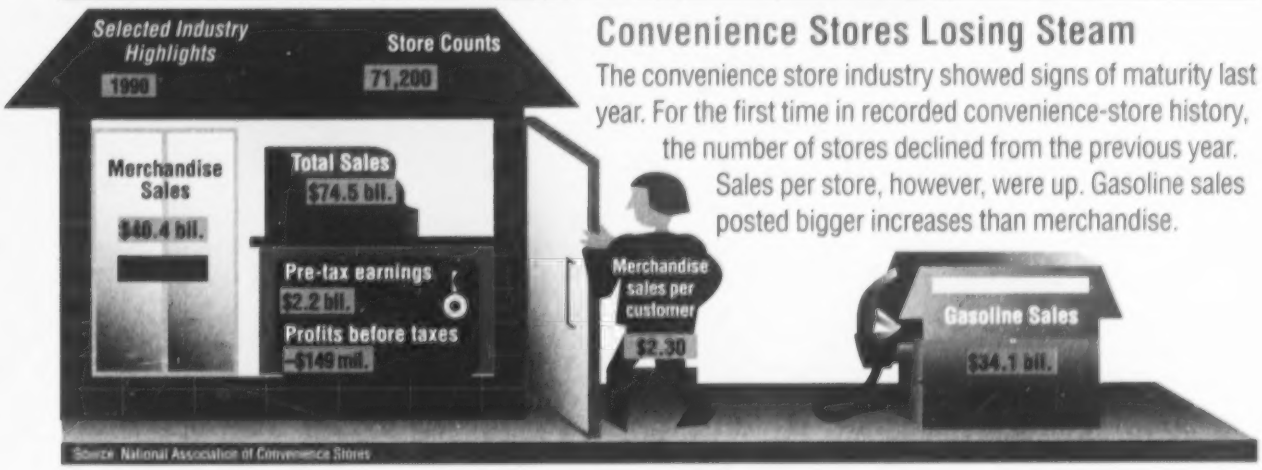


Americans Head For the Road This Summer

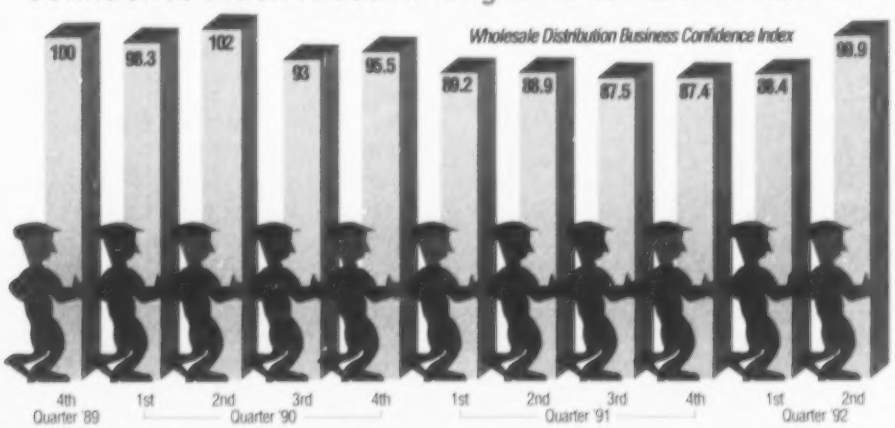
Summer vacation travel is expected to be up 4% this year, rebounding from last year's slump to a pre-Gulf War, pre-recession level. Auto travel will account for about 82% of all vacation trips.



Convenience Stores Losing Steam

The convenience store industry showed signs of maturity last year. For the first time in recorded convenience-store history, the number of stores declined from the previous year. Sales per store, however, were up. Gasoline sales posted bigger increases than merchandise.

Confidence Index Rises Among Wholesale Distributors



Confidence levels among wholesale distributors rose to the highest levels in about two years in the second quarter of 1992. However, many of the respondents noted that the survey compares early 1992 business conditions to early 1991 when the economy was deep in a recession.

Charts by Peter K. Niceberg

Source: National Association of Wholesaler-Distributors

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Cover photograph by Bill Cramer

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IN THE NEXT ISSUE

MAJOR FEATURE TOP 50. Once again *RB* offers its exclusive report on the 50 fastest-growing chains. This year's report offers statistical rankings and data including percent change in average unit volumes, a new feature. The top 50 this year consists of 14 quick-service chains, 9 midscale chains, and 27 upscale/casual chains. Chains are defined as operations with five or more units.

MARKET SEGMENT REPORT C-STORES/DELIS. Emerging from a difficult few years, the convenience store industry remains troubled. The largest convenience store chain, 7-Eleven, is in the midst of restructuring management a year after coming out of bankruptcy protection with new owners. National Convenience Stores, parent of 7-Eleven competitor Stop & Go, is hoping to emerge from Chapter 11 itself by early next year, as are some smaller, regional players. Sales and profitability, however, were strong in 1991.

MENU IDEAS/TEST KITCHEN BREAKFAST/BRUNCH. This feature covers breakfast economics—the creative use of leftovers. For example, operators can turn yesterday's cinnamon buns and muffins into today's breakfast bread pudding.

TEST KITCHEN:
Native American, p. 85.

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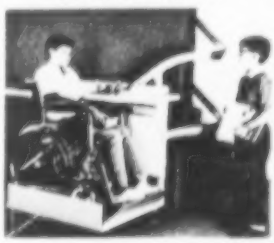

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SEAFOOD

MARKET SEGMENT REPORT

The segment turns with the tide of supply and demand.

By Carol Casper

Recessionary pressures, supply problems, and increasing public concern over safety issues are creating a tough climate for seafood operators today. Just a few years ago, a veritable ocean of publicity surrounding seafood extolled its health benefits. Restaurant openings accelerated, more inland operators began featuring fish and seafood, and American per capita consumption soared, rising 25% over 10 years. With many consumers apprehensive about handling seafood at home, the foodservice industry enjoyed a large share of that growth.

Today, the tide has turned somewhat. Media coverage has become increasingly negative, focusing on safety issues like bacterial contamination and fishing in polluted waters. Alarmist articles such as one published by *Consumer Reports* in February have stirred concern and possibly dampened some consumers' enthusiasm for fish.

Economics are also playing a role. Seafood is expensive, compared to other protein sources. The increased demand in recent years coupled with dwindling supplies of many popular species have only made it more so.

Seafood operators have long learned to cope with higher food cost percentages than other restaurants. With the recession motivating consumers to seek value with greater zeal, restaurants are harder pressed than ever to make seafood more affordable.

"People are very price-oriented. That puts limits on what we can do," says Steve LaHaie, managing partner in Lettuce Entertain You Enterprises' two Chicago seafood operations, Shaw's Crab House and Shaw's Blue Crab.

"Sourcing fish is still the most difficult challenge," adds Bob Taft, chief operating officer of Skippers, Inc., a fast-food chain based in Bellevue, Wash. "That will continue, so we need to learn how to do a better job with a limited catch."

Aquaculture continues to promise more dependable, stable priced supplies of many species. However, even enormous progress made in this field in the last few years has not substantially altered the fact that seafood is still primarily hunted, not raised. Of 550 million pounds of shrimp imported into the U.S. last year, for example, 40% to 50% was farm-raised, points out David Harvey, an agricultural economist with the U.S. Department of Agriculture. However, all farm-raised species still account

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Targeting kids, Arthur Treacher's is reintroducing its Classic Cruiser Fun Meals, which debuted last summer.

SEAFOOD

MARKET SEGMENT REPORT

for only 10% to 12% of total seafood consumed by Americans, Harvey says. He does not expect that figure to rise above 15% by the end of the decade.

Per capita consumption of seafood lagged slightly in 1990, totalling 15.5 lb. per person compared to 15.9 lb. in 1989, according to the latest figures available from the National Fisheries Institute, Washington, D.C. NFI predicts per capita consumption will continue to rise sharply, to 20 lb. by the year 2000.

"We don't feel there is any less excitement about seafood than there was a few years ago," comments Mike Morehead, vice president, marketing, for Rusty Pelican Restaurants, Inc., San Juan Capistrano, Calif. "It's just that now there is a greater knowledge level among the public, so people don't ask as many questions. There isn't as much talk about seafood, but people have gotten into the habit of eating it."

Jeffrey Senior, a partner in Restaurant Concepts, Inc., Boston, which will soon open its third Skipjack's seafood restaurant, adds that since people have become more accustomed to eating seafood, many have also grown more comfortable preparing it at home.

The consensus among restaurateurs is that they have to work harder today to market seafood and keep it affordable. One strategy has been to utilize less familiar species as alternatives to higher-priced favorites like swordfish and dwindling North Atlantic groundfish species like haddock and cod.

The quickservice chains, in particular, have had to revamp their sourcing strategies and wean themselves away from reliance on expensive North Atlantic fish in order to remain competitive in the fast-food arena.

The renewed strength of giant fast feeder Long John Silver's is due in part to its successful grappling with this problem in the last couple of years, by incorporating species like pollock and hoki into its menu and developing a worldwide sourcing network.

"The supply problem is no less volatile than it was several years ago. But our ability to control and contract for long-term resources has been strengthened," says Bob Brauff, LJS vice president, franchise development.

In midscale and more expensive seafood houses, the problem is more complicated than substituting one anonymous white fish species for another. Individual operators have had some success persuading patrons to try fish with unfamiliar names like tilapia, escolar, and kajiki, but none of these newcomers so far promise to make a dent in the popularity of old favorites like salmon, swordfish, and cod.

"We see our customers becoming a bit more adventurous," says Dick Monroe, vice president, public relations, for segment leader Red Lobster, "but there haven't been any major changes in ordering patterns."

Statistics from NFI support this observation. They show that the 10 most popular species still accounted for roughly 75% of all U.S. seafood consumption in 1990, but that figure was lower than their share in '89.

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The tony Water Grill in downtown Los Angeles has a high check average.

On the other hand, to help trim operating costs, some seafood houses are reducing the number of fresh fish varieties featured on their menus.

"We pay very close attention to quality, but have eliminated quantity," reports Jim Schumacher, owner of Seagull Street in Albuquerque, N.M. "We now offer about 10 varieties of fresh fish daily instead of 15 to 20, and concentrate on wowing customers with presentation, rather than sheer variety. We realized we weren't accomplishing anything by flying in four pounds of something special and throwing away three pounds. I do it only when I know I can personally merchandise it."

Another tactic more seafood operators will enlist to improve affordability is to reduce portion sizes and to fill up the plate with interesting side dishes.

"When we first opened, we featured just a great big piece of fish on a plate," LaHaie says. "Now we're moving toward giving less protein, and offering more exciting combinations of vegetables, greens, pastas, and fruits to go along with the fish."

Despite the challenges, traffic in the segment kept pace with the rest of the industry in 1991, up 1.1%, compared to a 1.0% gain for all restaurants.

"We had a successful year, but it hasn't been easy," says Monroe of General Mills' Red Lobster. "We certainly can tell there is a recession, but despite that, we wound up our fiscal year with several record highs, including sales and number of openings in one year." The Orlando, Fla.-based giant opened 50 units in the last 12 months for a total of 550 in 47 states. It racked up system-wide sales in fiscal '91 of $1.4 billion. Average annual unit volumes held steady at $3 million.

Many restaurants are reducing the number of daily fish specials.

Red Lobster plans to open another 50 units over the next 12 months, continuing its bi-coastal emphasis and filling in many smaller markets.

Monroe attributes much of the chain's success to its continued emphasis on value. "However, value may not always mean low price points," he says. "When we can find lower-priced options, we feature them. But we also look for good value in other ways. For example, we've been able to market Alaska king crab legs in a big way. At $10-$12 that is not a low-priced offering, but customers can't find the same dish at other places for twice that."

He adds that concern over seafood safety has actually helped enhance Red Lobster's position due to its reputation as a seafood expert. "We've seen other restaurants' seafood business go straight South when there's a seafood scare, while ours actually peaks, because customers know Red Lobster as a name they can trust. They know we can guarantee safety because all our seafood is USDA inspected."

The chain's daily fresh catch offerings, which fall at the upper end of its price spectrum, continue to grow as a portion of sales. Its "create a combination" option for lunch and "create your own platter" dinner offerings give customers an opportunity to be a little more adventurous.

The nation's second largest seafood chain, Long John Silver's Seafood Shoppes, Lexington, Ky., appears to be moving forward again with some confidence after several years more or less adrift. This spring the chain's year-to-date sales were running 6% ahead of its last fiscal. In the first few months of '92, figures were up even more sharply, showing gains of 10% to 15%. Customer counts were up 4.2% over last year, says vice president of marketing services Brian Dixon. Systemwide sales reached approximately $830 million.

Long John Silver's managed these increases despite the fact that it weeded out about 40 underperforming units in the last year. It currently operates a total of 1,448 stores, including 988 company-owned and 460 franchised.

Dixon attributes the chain's improved performance to value-oriented initiatives and refurbishing of its concept. "For a long time we had looked at Long John Silver's as almost a midscale concept. Over the last two years, we've reevaluated and polished our positioning as 'the fish fast-food folks'."

As part of this effort, the company is adding drive-thrus. "We've added about 150 over the last 12 months. We had about 200 to 250 before, but those had been built more as an accommodation to franchisees rather than as a strategy on our part," Dixon points out.

Another business-builder has been its Add-A-Piece program, which allows customers to add a piece of fried shrimp, chicken, or fish to any order for just 35¢, 65¢, or 75¢. This has helped boost check averages and allowed the chain to streamline its menu. "We've re-duced the number of platters, while enabling customers to enjoy more variety," says

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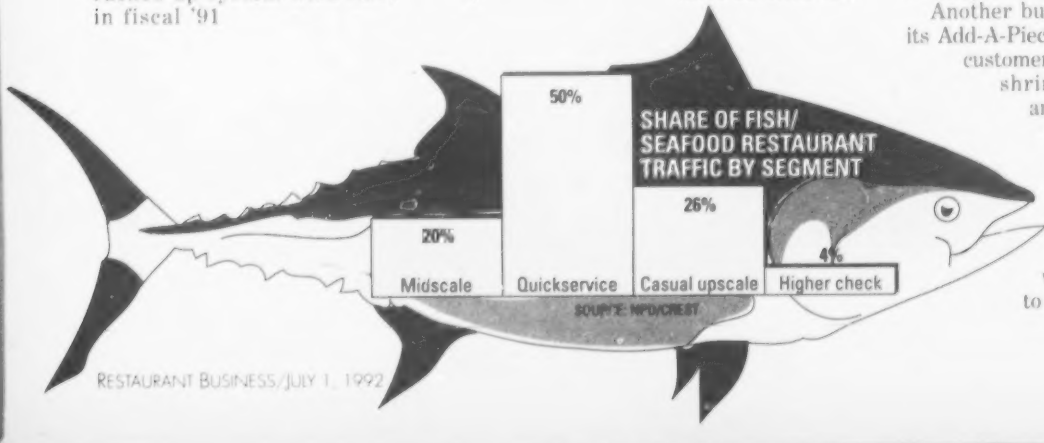

CHARTS BY SHARI FANG

SEAFOOD

MARKET SEGMENT REPORT

Shaw's Crab House and Shaw's Blue Crab are LEYE units.

Bruce Cotton, senior vice president, public affairs.

The chain has also been promoting Special Value Meals that combine fried fish, chicken, or shrimp with fries, or baked fish with rice, for $1.99. It continues to test a variety of baked fish products.

With its concept now firmly defined, and improved performance generating interest, Long John Silver's is stepping up expansion efforts. It is also pursuing a new growth avenue, contract feeding.

In the U.S., the company expects to open about 50 franchised sites in the next 12 months and to accelerate growth after that. Internationally, the chain is targeting development in four main areas: Southeast Asia, the Middle East, Mexico, and Canada. The company recently signed its first agreement with a contract feeder.

Another fast food-fish company on the upswing after tough times is Arthur Treacher's, Inc., Youngstown, Ohio. A new master franchise program launched last year—its first major push since '84—helped the chain grow to 122 units from 102 over the last 12 months. The company expects to have at least 150 stores open by year's end, says director of marketing Amy Plowden.

With just a dozen new units running by December '91, she adds, Treacher's managed to boost sales to $39 million systemwide, from $30 million in 1990.

Like Long John Silver's, Arthur Treacher's recently introduced an add-on program that allows customers to add extra pieces of fish, chicken, or shrimp to any entree or family-pack, at value prices. Since the initiative was launched in early March, the average check has risen about 8%.

The chain continues to promote a broiled cod loin product. Its first non-seafood entree, a baked chicken tested last year, has been pulled temporarily. The latest promotion focuses on Dippin' Chicken with a choice of four salsas.

For summer, the chain is featuring Treacher's Trim Trio—light salads made with shrimp, chicken, or tuna. It will also reintroduce a Classic Cruisers kids' meal which debuted last summer.

The third largest seafood chain, Shoney's, Inc.'s Captain D's, has concentrated on expanding its menu with a new broiled program. The Captain's Grille menu is now available in all but 80 of the Nashville, Tenn.-based chain's 638 stores. In new stores it accounts for about 20% of sales, according to vice president of marketing Gregg Kaplan.

Captain D's broiled selections include cod, shrimp, and chicken served on a bed of rice, with side salad, bread stick, and choice of vegetable. The menu is supplemented by promotions like salmon and tuna. Captain D's offers cheese sticks and crab cakes systemwide.

The company's comparable store sales declined 1.3% in '91, despite a menu price increase of 2%. It hopes to counteract this trend in '92 by continuing to promote its broiler program, improve value perception through more competitive pricing, and by increasing drive-thru traffic.

In the Northwest, Skipper's has taken a different approach to upgrading. "Instead of following the path of Captain D's, putting broilers in all our restaurants, we said, let's look at the whole experience of the customer, and develop a brand new concept that appeals to our fish and chip patrons, as well as those looking for something a bit more upscale," explains chief operating officer Taft. "Our reasoning was, with our raw product costs going up 40% in the last year, we couldn't pass on increases to customers without bringing in line all the other elements in the value equation as well, including atmosphere, service, and quality."

This led to the company's evolution recently of a new growth vehicle, Skipper's Flame Broiled Seafood and Chowder House. In contrast to its older stores, the "Broiler" units are closer to full-service dinner houses, but offer better prices, Taft says. Customers still order at the counter from a menu board, but then sit down and are helped at their table by a server who continues to check back throughout the meal. The new Broiler units also feature separate take-out counters and, wherever possible, drive-thru windows.

In addition to fried and baked seafood, the new concept features broiled chicken and steaks, plus several broiled seafood choices and specialties like Cajun cod and baby Cajun shrimp. New snacks include zucchini and cheese sticks and onion rings.

Skipper's also offers Seasonal Catch promotions, such as salmon and scallops as the market permits. The Broiler units have also tested pasta dinners.

Nearly 40 of Skipper's 198 stores

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Overfished species have grown costly;

unfamiliar fish are being substituted.

now reflect the new concept, and it will concentrate on the Broiler as its main expansion vehicle. Skipper's will add about 20 stores over the next 12 months and expand at a rate of 10% a year.

Another fast-food fish chain with a difference is Dock's, operated by Fishy Things, Inc., Willowbrook, Ill. The company's expansion slowed last year due to the recession, but sales rebounded strongly in early '92, and it hopes to pick up the pace of new store development over the next year.

Dock's caters primarily to African-American customers with units located mainly in inner city neighborhoods in Chicago, Cleveland, and Milwaukee. The company recently signed a development agreement for several stores in Detroit, according to chairman Denny Robertson, and expects the first unit to open there by mid-September.

Six of its 19 units are franchised. The company has been trying to boost franchise development in the last two years, but is now also considering some joint development projects. This is partly due to difficulties its mostly minority franchisees and prospects have encountered trying to secure financing.

Dock's does close to 95% of its business in take-out, although it has been adding seats to newer units. The stores average $600,000 annual sales with a menu that features fish sandwiches, fried fish and shrimp dinners, fish nuggets, chicken wings, and side dishes including gumbo, bean pie, and salads.

Among the midscale operators that managed to buck the drop in traffic counts is Weathervane Seafood Restaurants & Markets, Kittery, Maine. Although its check averages dropped slightly in '91, from $9.80 to $9.62, volume increased, bringing sales for the 15-unit Northeastern chain to $30 million.

Director of marketing Susan Paquette attributes much of its success to the fact that the company "maintained great prices" even as it expanded and slightly upscaled its menu. "We've seen an increase in the number of businesspeople coming in for lunch. With expense accounts pulled back, we think more people are choosing us over higher priced seafood restaurants."

The company has launched a flurry of expansion projects, adding more indoor dining space and outdoor patios to about half a dozen of its locations, including its Kittery flagship. Consecutive additions of 90 seats this past spring and 250 more planned for next year will bring this unit's capacity to 800, Paquette says.

At press time, Weathervane was also finalizing negotiations on a landmark site in Danvers, Mass. If the deal goes through, the new unit could help raise the company's profile by allowing it to boost advertising in the Boston market. The chain is also testing a combination ice cream and seafood operation in Salem, N.H.

Another midscale group holding its own is Shells in Tampa, Fla., which operates 26 units concentrated in the Southeast. While the recession delayed growth plans for a year, the company expects to begin moving forward again by the end of '92 on an expansion strategy that will take it to 50 units by the middle of the decade, according to vice president Chip Roehl.

Checks average $10.50 to $11 for dinner. The company began testing lunch; nine units now open at midday. Shells is evaluating extended hours at other locations. At lunch it offers a whole different menu featuring lighter, less expensive meals and smaller portions, with checks averaging under $6.

Various types of fresh fish grilled with an herb marinade, and a shrimp and pasta dish, are Shells' most popular dinner entrees, Roehl adds.

Shells emphasizes high value at competitive prices.

While seafood chain activity is concentrated in the fast-food and midscale categories, one chain to watch in the upscale sector is L&N Seafoods, operated by Morrison, Inc., Mobile, Ala.

Over the last three years L&N, founded in 1982 at the World's Fair in Knoxville, Tenn., has nearly doubled in size from 20 to 39 locations. Still concentrated primarily in the Southeast, the chain also has units in upstate New York, Pennsylvania, Texas, and Nebraska. It plans to expand in selected markets in the eastern U.S.

L&N emphasizes fresh seafood flown in daily to each of its restaurants. It specializes in a wide variety of mesquite-grilled fresh fish. The menu also includes baked, broiled, fried, and sautéed seafood such as Cajun platters, barbecued and baked stuffed shrimp, steamed lobster and Alaska snow crab legs, broiled sea scallops, and seafood pasta combinations. It also offers grilled seafood salads and sandwiches, plus alternatives like grilled chicken and filet mignon. A recent addition is a new oyster bar menu featuring "naturally purified oysters."

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Per capita consumption of seafood was 15.5 lb. in 1990, down from 1989.

SEAFOOD

MARKET SEGMENT REPORT

"We've been moving toward offering more specials created in each restaurant to appeal to regional tastes," says Michael Pass, director of marketing. While some operators are trimming back, L&N will continue to feature about a dozen fresh fish species daily.

Rusty Pelican, another upmarket chain with 27 units—some under other names—is moving in somewhat the opposite direction, cutting back on the number of items it offers. It began revamping its menu two years ago, notes vice president, marketing, Morehead, to provide lower price points for the upscale market. The firm recently took the project one step further with a new all-day menu developed for its newest unit, which opened in Woodland Hills, Calif., in March.

"Prices range from just $5 to $13.95—very moderate—yet it still features a variety of fresh fish as well as seafood pasta dishes, plus a little more emphasis on beef and chicken than in our other restaurants," Morehead says. In the others, which still offer separate lunch and dinner menus, midday meals range from $5 to $11 while dinner entrees run from $9 to $17.50.

Rusty Pelican offers both regular and light cut portions of its fresh fish, and highlights creative proprietary preparations like Ahi Chinese Pesto—tuna charbroiled with a soy-cilantro-ginger marinade, and Shark Firepot, charbroiled in a fiery sesame seed marinade. It has boosted its selections of entree salads and sandwiches, which include items like grilled fish tacos and blackened shark torta.

"Some seafood carries such a high cost today that we can't offer it at affordable levels," Morehead says. "Also what happens as supplies dwindle is that quality can suffer, so we will have to look at some alternatives, including more non-seafood dishes. We don't want to compromise quality just to feature additional seafood items."

McCormick & Schmick Management Group, Portland, Ore., is another West Coast seafood specialist that has been tinkering with its menus to meet today's changing market. M&S operates about a dozen restaurants in the Pacific Northwest and California, including McCormick & Kuleto's, which opened last July in San Francisco. The 300-seat operation includes an adjoining Crab Cake Lounge with its own menu of casual food, including gourmet pizzas and skewered seafood available for walk-away as well as sit-down service. The main part of the restaurant serves a more traditional seafood house menu, says Bill King, M&S senior chef.

Throughout its operations, King adds, M&S is experimenting with various menu mixes that offer different relative proportions of traditional seafood dishes and more contemporary recipes. The latter, King says, tend to be lighter presentations, incorporating lots of pastas, salsas, and vinaigrettes, and Pacific Rim, Mediterranean, and Southwestern influences. In some of its California operations, the mix slants toward 50% contemporary vs. traditional, while in other locations the proportion might be closer to 80% traditional.

Another West Coast company that sees potential for upscale-style seafood at midscale prices is University Restaurant Group, Long Beach, Calif. URG already operates two successful seafood operations, the moderately upscale Ocean Avenue in Santa Monica, and the expensive Water Grill which opened last year in Los Angeles.

"We're developing another seafood operation now with price points that will fall at $12.50 to $13 at lunch for the overall check, and under $20 at dinner," says president Sam King. "We hope to make it an expansion vehicle.

"Even at those prices," he points out,

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L&N Seafoods flies fish in daily to its restaurants. An oyster bar is a recent innovation.

"because product costs are so high, we'll incorporate a lot of pasta, as well as a pizza oven, to help us balance out our food costs."

Legal Sea Foods, the highly successful eight-unit, Allston, Mass.-based, family-owned chain, has also been diversifying its menus in recent years to include more pasta-based dishes and other creative seafood preparations, although traditional broiled and baked New England seafood still makes up the core of its business.

"We're still very much featuring our health line menu," adds Roger Berkowitz. To increase variety and spark some excitement, the restaurants will also introduce a Spanish menu this year through an exchange program with chefs from Barcelona, Spain.

Particularly in its suburban restaurants, Legal Sea Foods now offers some package dinners that combine appetizers and entrees for prices substantially below its normally high price levels. Several locations also offer a Super Value Menu on Sunday afternoons.

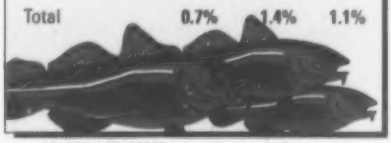
"We're definitely finding that price-sensitivity is more of an issue these days. However, customers seem more tolerant of high prices as long as the quality is there," says Berkowitz. "I think in a recessionary economy, people tend to differentiate between quality and non-quality dining experiences."

While most Massachusetts restaurants are still suffering from the limp economy, Legal's business stayed even

SWIMMING UPSCALE

Percent change 1990-1991 in fish/seafood restaurant traffic

	Lunch	Dinner	Total
Quickservice	0.4	5.1	2.7
Midscale	6.3	-9.1	-4.7
Upscale	18.5	-2.6	2.6
Casual	23.1	0	6.1
Higher check	-8.4	-14.3	-13.0
Total	0.7%	-1.4%	1.1%



SOURCE: NPD/CREST Annual Household Report, 1991

Sourcing quality seafood at a reasonable cost is the greatest challenge.

last year, and this year so far is up a couple of points. One new area the company has targeted to help maintain sales is catering business meetings and other private parties.

Legal Sea Foods expects to launch its first location outside Massachusetts this autumn, and also plans to open two more sites in Massachusetts within the next two years.

Skipjack's, another Boston area seafood operator, will open its third location in Cambridge, Mass., this fall. The company launched its first restaurant in Brookline, Mass., in 1988, followed by a second Skipjack's Seafood Emporium in downtown Boston two years later. It recently completed a total revision of its original Brookline operation, including a revamped menu and new interior design.

Described as a repositioning for the '90s, the new Skipjack's Fish House features larger portions, lower prices, and a smaller variety of species but a wider range of preparation styles. Included are selections like snapper Yucatan, topped with jalapeno chutney.

The new decor shifts the atmosphere from a rather staid dinner house to a more casual, fun, art deco environment, to complement the new menu. The food and ambience at its third Skipjack's, partner Senior adds, will fall somewhere in between the new Fish House and its more expensive and formal Seafood Emporium in Boston.

LEYE's Shaw's Crab House in Chicago and its suburban spin-off, Shaw's Blue Crab, continue to emphasize seafood-oriented events to promote their operations. "We held our Fourth Annual Smelt Fry Trip this spring, which grew from two to four busloads this year," says LaHaie. The restaurants will also hold a Crayfish Party in August, in addition to the now traditional November Oyster Fest.

"We're currently redoing our menu," LaHaie adds, "to make it more of a marketing tool. We'll do a better job describing our specialty fish dishes and what comes with them, so the menu will look and sound more value-oriented." The new menu will include a statement about precautions taken in handling fish to reassure customers.

LaHaie is also heading up a Seafood Task Force for LEYE, developing a seafood safety program. This effort is in part a proactive response to the possibility of a federally-enforced seafood inspection program.

A number of seafood operators would welcome such an inspection program—not so much because it would make their supplies safer, since they are already safe, but because it might reassure customers who have doubts about seafood safety.

On the other hand, King points out, the additional costs of conforming to new regulations could also lead to a shake-out of smaller suppliers, and further price increases.

Some operators say difficulties with handling seafood have already led to some decrease in seafood marketing by non-seafood restaurants, a trend which could also be furthered by new regulation. This retreat is certainly not in evidence across the board, however.

Bob Spivak, a partner in The Grill, an expensive Beverly Hills restaurant, and four more moderately priced Daily Grills in greater Los Angeles, says that despite the challenges of supply, fish and seafood will continue to play a larger role on its menus.

"Seafood represents 35% of our entree sales today, compared to somewhere in the twenties five years ago. We think that percentage will continue to grow." However, he says, "health-conscious eating may still be primarily a phenomenon of the big, sophisticated cities." Just 50 miles south of Los Angeles, for example, the company's Newport Beach operation sells more meat and less fish than its other restaurants, Spivak observes. **RB**